NEW YORK, FRIDAY, DECEMBER 28, 1917, -Copyright, 1917, by the Sun Printing and Publishing

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PLAN: RUSSIA TO **BE PEACE PAWN**

Idea of Separate Pact Abandoned; Will Try to Coerce Allies.

ASTOUNDS BOLSHEVIKI

Big Rift in Parley After Czernin States Teuton Terms in Detail.

WILL USE MAILED FIST

Role of Mediator Between Opposing Sides Cloak to Force War's End.

special Cable Despatch to Tax Sen from the London Times.

Copyright, 1917, all rights reserved PETROGRAD, Dec. 27 .- A rumor is curent here to-night that pending the resumption of formal peace negotiations at Brest-Litovsk the German and Austrian delegates there have proposed that Russia undertake to mediate between the Central Powers and the Allies with a view to the conclusion of a general peace. The Central Powers, it is said, see no advantage in a separate peace with Russia.

It is proposed that should Russia fail in this attempt the Central Powers would proceed to the occupation of trategic points in Russian territory. thus bringing pressure to bear on the Allies in furtherance of Russia's representations.

caused consternation at the Smoiny In-stitute, the Boishevik headquarters.

CZERNIN OFFERS TERMS. Pirat Detailed Statement Made in

Reply to Bolsheviki. Perrograd, Dec. 26 (delayed) .- The Central Powers are ready to make an immediate general peace without compulsory a nexations and without con-

This is their answer through Count Czernin, the Austro-Hungarian Foreign Minister, made on Christmas day at which they are ready to accept in most particulars as the basis of negotiations. They insist, however, that the Central Powers cannot bind themselves onesidedly to such conditions without a guarantee that the allies of Russia will

recognize and fulfil these conditions.

Washington, Dec. 27.—President Wilof Yonkers and member of the House of
The Russian delegates asked for a son, according to all indications here. Representatives for the Fifty-ninth to

dicate most clearly, however, that the tussian proposals could be realized only the event that all belligerents oblirated themselves to adhere to the terms

The Austro-Hungarian Foreign Minisprive nations of political independence

The question of the subjection of naependence to another country cannot be the manner established by the Consti-tution of that Government, he argued. The protection of the right of minorities an essential part of the right of peo-

Would Adjust War Damages.

In the event of a mutual renunciation indemnification for war costs and war prisoner and to pay for damages caused hills own territory to property of civilian subjects of an enemy country by violaof a special fund for this purpose, a suggested by Russia, could be discussed mly in the event that the other belligerents join in the peace negotiations within timate satisfactory terms.

exations and indemnities and with the form inspired by the enemy at the preself-definition of peoples. He demurred, ent time, and believes it is in accord with lowever, at the German statement on the other Governments of the Entente. elf-definition as being incomplete. He aid the war could not end without the sing take the view that peace discussions now are bound to assist Germany the cause of democracy.

Count Czernin made this announce-

"The delegation of the allied (Teutonic) Powers, acting upon the learly expressed will of their Governments and peoples, will conclude as soon as possible a general peace. The delegations, in complete accord with the rejeatedly expressed viewpoint of their Governments, think that the basic principles of the Russian delegations in the second with the control of the Russian delegations.

KAISER HAS NEW BONAR LAW WARNS OF CONSCRIPTION OF **WEALTH AFTER WAR**

British Chancellor of Exchequer Tacitly Adopts Suggestion of Successive Levies on Capital of \$5,000,-000,000 Each to Retire Debt.

wealth, declared against such a pro-gramme during the war, but practically pledged that it would be adopted after pledged that it would be adopted after peace was won. This declaration gives

The writer assumes a debt at the close of the war of \$25,000,000,000, of which \$5,000,000,000 would be cancelled by the conscription of wealth, saving the interest on that amount. This interest thereafter would be applied regularly to retiring more of the debt.

After a few years of this procedure another \$5,000,000,000 levy on capital would retire another \$5,000,000,000 of the debt, thus doubling the amount of interest saved, which would continue to be applied to the reduction of the remaining debt. The decreased debt could be refunded at a much lower interest rate, and its entire extinction could be accomplished in a remarkably short time. accomplished in a remarkably short time.

It was suspected when the article was published that it was inspired: Bonar Law now substantially it as the Government's policy.

NO REPUDIATION.

Bonar Law Promises Britain Will Pay War Debts.

declares A. Bonar Law, the Chancellor greatest,

Special Cable Despatch to The Scx.

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London, Dec. 27.—Andrew Bonar
Law, Chancellor of the Exchequer, in a recent statement to a labor delegation which demanded the conscription of the liabilities incurred in the war.

In his letter the Chancellor states:

"I am glad to have an opportunity of the liabilities with the runous that are I find

ment repudiating its liabilities.
"I should like to state, and to state the force of semi-official inspiration to a remarkable article published in a weekly newspaper outlining a plan for the conscription of wealth after the war.

The writer assumes a debt at the close of the war of \$25,000,000,000, of which \$5,000,000,000 would be cancelled by the in the hands of men who were blind to all considerations of national honor but would to my mind involve the overthrow of any Government that

overthrow of any Government that adopted it.

'The repudiation of State liabilities would in my judgment be as disastrous as it would be dishonorable. Nothing after the war will be more important than to preserve and buttress the fabric of the national credit, and nothing would so easily undermine it as the refusal of the Government to honor its debts. It would indeed be impossible for a Government which had destroyed its credit by repudiating its liabilities ever to borrow again should circumever to borrow again should circum stances arise in which it was necessary to do so. In short, repudiation spells national dishonor and national disaster.

"I will only add this: Whatever be the financial policy of the British Gov-ernment after the war, I am certain of this, that any discrimination there may London, Dec. 15 (By mail).—Great have withheld their mone; from the Britain will not repudiate her war debts. State at a time when its needs were

Foundation Like John D.

Rockefeller's.

man Estimated at \$40,000,-

000 to \$75,000,000.

John Emory Andrus, former Mayor

Charter Is Perpetual.

perpetual, and the directors named are Mr. Andrus, Orville C. Sanborn, Thomas

F. Dougherty, Stewart M. Seymour and

statement issued last night at his home

for humanity in a way that appeared to me as the mest useful phlianthropy. dissociated from the customary idea of charity. My present plan is the out-

come of discussing with and of sug-gestions from my devoted wife, who

Orphan Home First on List.

city of Yonkers on lands formerly owned by my wife an orphan home for little children, preference being given to

those, if such there unfortunately be, of

own city (Yonkers) to be admitted first, then from the towns and cities adjoining, and then from Westchester county.

"The plan will differ somewhat from the usual scheme of a great orphan asylum. We will construct detached homes and place them in charge of trustworthy guardians who will take the places as nearly as they can of the absent parents. The land is beautifully situated and appears to be admirable.

situated and appears to be admirably located for this purpose. The carrying out of my present plans for the construction of these detached houses and their endowment, exclusive of the value of the land, will involve the expenditure

Other Plans in Reserve.

"I intend to arrange the endowment to as to eliminate the possibility of can-vessing for subscriptions to obtain the

Continues on Fifth Page.

own city (Yonkers) to be adn

"We always thought that little children and old people were equal subjects for our loving consideration. I have concluded, first, to eract and endow in the

ing some thought to what I could

Yonkers in which he said: "For several years I have been giv-

mosynary purposes.'

in Yonkers in which he

has gone before me.

The certificate of incorporation states

object of the foundati

of the charter is per-

TEUTONS IGNORE JOHN E. ANDRUS BASIC DEMANDS **GIVES MILLIONS**

Peace Reply to Russia Is Rich Yonkers Man Charters Called Vague and Will Not Be Considered.

NOT A RIPPLE IN CAPITAL \$2,000,000 FOR ORPHANS

Erest-Litovsk, to the Russian proposals. Offer Meant for Home Con- Fortune of Former Congresssumption and to Encourage Pacifists Abroad.

pecial Despatch to Tan Sex

Washingron, Dec. 27.-President Wil- of Yonkers and member of the House of pedition ten day recess in the negotiations in will not regard the Justice Arthur as outlined by Count Czernin, the Austro-yesterday the approval of Justice Arthur will not regard the Teutonic peace terms the Sixty-second Congress, obtained a's allies.

Count Czernin declared that the Cen- Hungarian Foreign Minister, as forming S. Tompkins in the Supreme Court at basic a basis for peace. The United States White Plains for a certific n dele- and the Entente nations are pledged to poration for the Surdna Foundation. gates could be the basis of such a peace. terms involving restoration, reparation through which he expects to give his He said they shared Russian condem-nation of a continuation of the war for and guarantee against repetition. The millions to charity. carefully worded effusion of the Central The wealthy Westchester manufacturer, carefully worded effusion of the Central

It is necessary, the Count added, to
Dowers at the Brest-Litovsk conference whose estate is variously estimated from the Ukrainian Rada and dicate most clearly, however, that the is regarded in official circles here as in \$40.000.000 to \$75.000.000 for \$75.000

Powers at the Brest-Litovek conference is regarded in official circles here as in 340,000,000 to \$75,000,000, announced last night that his first benefaction would be a \$2,000,000 institution for orphans, to be established at Yonkers.

The Surdna Foundation, which takes the surdna Foundation, which takes the surdna Foundation, which takes News of the so-called German terms did its name from the reversed spelling of News of the so-called German terms did not cause a ripple of excitement in Mandrus's name, is modelled after the Rockefeller Foundation in its general plan, and it is the purpose of the founder to make it the vehicle for many future old familiar brand which may mean gifts for the benefit of humanity. much to Germany and which are cal-

lutely ignore the offer, even though it be unsatisfactory, and that it might be go politics from an international point Germany how generalities might be re-duced to more detailed form, the responble officials of the Government are ab-

everything to any corporation, associa-tion and organization for religious, charitable, scientific, educational or elecsolutely opposed to this.

There is and has been here and abroad the enemy over ultimate peace terms on the ground that this would not necessi-This Government, for reasons which

The chairman of the Russian delega-tion expressed gratification at German against any policy of talking peace or considering peace negotiation President Wilson and Secretary Lanof little and oppressed nationalities, and and weaken the cause of democracy. Itussia would insist on guarantees that This view is predicated on information their lawful rights would be protected in not generally available which has led Central Powers will consider only a peace based on Prussian military victory. This information has led to the belief that all the art and cunning of Teuton diplomacy are now to be persistently in-voked to make these terms appear attractive to the peoples of their enemies. Realising that peace along the lines which the United States and the Entente will demand is now out of the question in advance of a military victory over Germany, officials here and in Entente Germany, officials here and in Entente countries apparently do not want to consider peace plans at all.

Same Old Touton Peace Game." To quete one high official here, the ituation in this respect is outlined as

"Germany is doing everything in her power to force us to keep peace before the people, to talk peace, to think peace and to make peace discussions sap our determination to bend all energies on precedution of the war."

TAKE GARRISON

gaged at Harbin, Is Report in Tokio.

in Offensive at Irkutsk.

Tokio, Dec. 27.-In a fight between Chinese and Russian Maximalist troops at Harbin, Manchuria, Wednesday morning, the Russians surrendered and were disarmed and made prisoner, according to a report, which is considered reliable, received here from Harbin. The advices say the Chinese now cupy the garrison at Harbin.

LULL IN HOSTILITIES. Bolshevik and Ukrainian Troops Holding Back. Cable Despatch to Tan Sun from the

London Times. Copyright, 1917, all rights reserved. PETROGRAD, Dec. 25.-There appears to be a certain hanging back in the progress of hostilities between the Bolshevik and Ukrainian troops, probably further bloodshed.

The people's commissioners are anxious to employ all available forces against Gen. Kaledin, whom they regard as identified with the cadets, or dent's plan. This is not the determination of any caucus or other formation of any caucus or other formation. geoisie pledged to reaction, even to the gathering, but the consensus gleaned restoration of the monarchy. For this reason they are willing to make concessions to the Ukraine, or even to the Think McAdoo Busy Enough Now.

The Peasant Congress also is anxious to avoid the exaggeration of the conflict between the people of Great Russia and Little Russia. Acting on its suggestion, Leon Trotzky, the Bolshevik suggestion, Leon Trotzky, the Bolshevik Foreign Minister, telegraphed to Ensign Krylenko, commander of the Russian armies, instructions to come to terms with the Ukraine divisions under his command to cut off Kaledin, "who alone ruins both the Ukraine and the Russian republic. The Ukraine regiments must be sent with the Russian revolutionary troops argument to Command to Command to the Command to the Russian revolutionary troops argument. troops against the Cossack leader. The despatch of an army against Kaledin is a question of life or death for the revolution."

A mutinous spirit exists among the foscow troops. Gen, Muravieff, the new commander of the army proceeding against Kaledin, is reported to have made vain efforts to induce the soldiers of the garrison to take part in the ex-pedition. The men declared they had not desisted from war on the frontler

FIGHTING IN SIBERIA.

sisted were disarmed and a quantity of at some critical times when man guns and rifles was seized. The Ukrainians have occupied the station at have engaged the garrisqu there for two would inspire more confidence."

much to Germany and which are calculated to strengthen pacifist propaganda in enemy countries, but which fail to trap Enfente Governments into giving their serious consideration.

While it is realized that the opinion While it is realized that the United Secretary of State with the approval of the court. It was filed on the eighth anniversary of the death of Mr. Andrus, works, employing 30,000 men, and the Petrograd metallurgical works and the Petrograd metallurgical works and the Petrograd metallurgical works and t works, employing 20,000 Earnings Guarantee Questioned.

U. S. DID NOT AID REVOLT

Ambassador Furnishes Proof as "to donate or contribute anything or Against Charges by Bolsheviki. Special Cable Despatch to THE SEX from the

London Times. Copyright, 1917. all rights reserved. Perrograd, Dec. 25.—Ambassador Francis has published two letters of the American Minister at Jarsy, Ruma nis, which dispose finally of the charge that aid was being extended to the Kaledin revolt. The letters show that the funds employed to transfer the American ambulances, which were seized by Bolshevik troops at Rostov were drawn from the American Rec that the object of the transfer of am-

bulances was to prevent them from falling into the hands of the Germans in case of a further invasion of Rus slan territory. The Ambassad cludes by stating that additional evidence is not necessary to disprove "the inanimosity toward the American Govern-ment, this Embassy or the American

A deputation called yesterday at the Embassy and presented a floral offer-ing in recognition of the efforts of the Ambassador to obtain a million pairs of boots and shoes from America for members of the railway union and their wives and families.

STORM DELAYS GIFT SHIP.

Four More Carloads of Presents In France for Americans.

Panis, Dec. 27.—Four carloads of Christmas mail which arrived at a French port from the United States were French port from the United States were forwarded to-day for delivery at the headquarters of the regimental units of the American expeditionary forces. The bulk of the Christmas mail, which consisted of 20,000 sacks and required ninety freight cars to move, was delivered at the headquarters of the varous units on or before Christmas Day, but a storm at the daysed for three days the various units on the daysed for three days the constitutions. of delayed for three days the arrival of the mail sent forward to-day. Besides the mail delivered by the army post office there were several carloads of

large packages weighing over sever pounds each which were handled by the Quartermaster's Department.

CHINESE DEFEAT CONGRESS SURE BOLSHEVIKI AND TO BACK WILSON

but President Will Get All He Asks.

'Cossacks and Military Cadets McAdoo's Appointment Criticised Chiefly Because He Now Holds 4 Big Posts.

> Special Despatch to Tan Scs. WASHINGTON, Dec. 27 .- Congress will accept the President's dictation with regard to the policy of the Federal Government in its relation to the rallroads without serious resistance, if not with any particular joy.

> Considerable adverse comment was levelled to-day by some at the capital against the arbitrary establishment of a basic rate per cent, of compensation to the lines based on the years 1915, 1916 and 1917, or based upon anything else than the actual invested capital. This came from certain radical Senators and Representatives.

There was also a measurable dissat isfaction expressed at the choice of Secretary McAdoo as the Director-General of the temporarily Federalized system. But there is insufficient dissatisfaction due to a desire on both sides to avoid to justify the prediction that the President will not receive from Congress all that he seeks in the way of legislation

Republicans of neither house will make any formal fight against the Presifrom direct contact with Republicans

with the revolutionary programme, the war of the classes being the main preoccupation.

The opposition to the selection of Mr. McAdoo was not based on any question as to his ability to design the main preas to his ability to design the main pretems which his new responsibility veys, but it is felt among the Republicans that the multiplicity of duties al-ready delegated to the Secretary are sufficient to keep him busy or to rant his relinquishment of the Cabinet office if he is to assume the additional burden. One Republican view, that of acting House Leader Frederick H. Gil-lett (Massachusetts) sets this opinion forth as follows:

"I deeply regret the appointment of ir. McAdoo as controller of the railroads of the country. He is now Secre-tary of the Treasury, chairman of the Federal Reserve Bank system, chairman of the Federal Farm Loan Board and chairman of the International High Commission. I think these places give ample scope to his ability. In addition he is recognized as the great dispenser of patronage and the political adviser of the President. He is already the Pooh Bah of this Administration

"If it were necessary that the ap-pointment should be a political one there are other members of the Cabinet who personal one. It should have recipro-cated the general non-partisan support LONDON. Dec. 27 .- Ukrainian forces, that has been extended this Administra-

carefully repressed all criticism of the headquarters of the Fourth Ninth and Administration. It has required at times Eleventh armies on the Rumanian and much self-restraint. I have loyally supsouthwestern fronts. Those who re-ported the President in the House, and sixted wars discarded. The his own party deserted him. I intend to on at continue that support, but I think it Brailoff and disarmed the guards.

A telegram received in Petrograd from Tomsk reports fighting in Irkutsk, partisan one and has not been a less Siberia. Cossacks and military cadets one whose experience and impositions. one whose experience and impartiality

> In the opinion of legislators the phraseology of the law of August 29 1916, apparently is broad enough traffic on the railways, and that while the movement of troops and supplies is

lly mentioned the concluding with the emergency as may be needful or desirable," is sufficiently embracing to include the whole war situation. Where a clash of opinion comes, however, is the point made by the Presiden that he shall guarantee the earnings o railway securities of their dividends and

Blue Ribbon Fowl Aid 'The Sun' Tobacco Fund

THE gift of Charles A. Phipps. a pen of four blue ribbon chickens, goes on exhibition to-day at the Poultry Show in Madison Square Garden. Pretty girls from the Strand Roof will receive bids, and on Tuesday night, the last session of the show, the birds will be sold, the entire proceeds coming to THE SUN Tobacco Fund. A fund benefit which promise

to be both a great artistic and a financial success will be that of the Akron Club at the Plaza Hotel to-morrow night. A clever original musical farce will be produced by some of the best amateur talent in the city, novelties will follow, and the evening's entertainment will conclude with

Don't take the word of the fund for the good which these tobacco contributions are doing the soldiers at the front. what the soldiers themselves have to say. Some of their messages are printed on page 5 this morn-

WARNING! THE SUN TO-BACCO FUND has no connection with any other fund, organization or publication. It employs no agents or solicitors.

U. S. TAKES ROADS TO-DAY; TO BE RUN AS ONE SYSTEM; HELP FOR WEAKER LINES

Maximalist Troops Are En- Radicals Will Complain, McADOO ASKS AID OF PUBLIC IN RUNNING THE RAILWAYS

MANY PRISONERS SEIZED G. O. P. WILL ACQUIESCE "Victory in War Will Depend Upon Speed and Efficiency; We Can Get Neither Unless Roads Are Equal to Demands."

> Special Despatch to THE STN. McAdoo, as Director-General of Railroads, to-night issued a statement as

"This new task is of great magnitude and difficulty. It cannot be done in a moment and it cannot be done at all unless the people of the United States, as as it is possible to mature them. Meanwell as the officers and employees of the while the business will be conducted through existing railroad organizations railroads, give to the Railroad Director

mental importance to the success of the war. Without it we cannot get the disposal of the Director the entire work and facilities of the commission."

Special Despatch to THE StN.

WASHINGTON, Dec. 27.—William G.
IcAdoo, as Director-General of Railcoads, to-night issued a statement as
compared by the street of this war will probably
come in the year 1918. Victory will depend upon our speed and efficiency. We
can get neither speed nor efficiency unless the railroads are equal to the demands of the situation.

"I can only say at the moment that the problem will be taken hold of vigor-ously and that plans and policies will be announced from time to time as rapidl with all the support and power of the Government asserted in behalf of more their intelligent and patriotic support. I carriestly seek the cooperation and assistance of every good citizen in this great work.

"The operation of the railroads as a thoroughly unified system is of fundamental importance to the success of the The commission, has accepted offices in the Interstate Commerce Building.

Soldiers Suffered May

Reach \$500,000.

Quartermaster's Depart-

ment Also Alleged.

Thefts of olive drab cloth, intended

for uniforms for soldiers of the United

to Mr. Roosa, may be looked for to-day,

together with many spongers implicated in the wholesale plot to rob the Govern-

bureau reported to the bomb squad that

a yard. The lot offered was one for which the Government already had paid

and joked with the Deputy Marshal,

Inquiry to Be Continued.

Case. Capt. Loening was an District Attorney under Gov.

Major Nixon and Capt. R. R. Loening

Continued on Becond Page.

tured into uniforms.

BRITISH ISLES

Gigantic Project Is Proposed Purloined Olive Drab While by the Coal Economy Commission.

WOULD END LONDON FOGS MANY ARRESTS SLATED

Railways and Factories to Use Collusion of Officials in U. S. New Power at 8500,000,-000 a Year Saving.

Special Cable Despatch to THE SEN. London, Dec. 27 .- The universal States Army, were unearthed here yeselectrification of all Great Britain, in- terday and, according to detectives of cluding the railroads and all factories, the bomb squad, the sum involved may

for domestic purposes. It is proposed to consolidate all the electrical establishments of the United Kingdom and create sixteen gigantic Army, made it possible for him to steal central super-power stations of 20,000 cloth at a time when many of Uncle to 50,000 horse-power each, supplying Sam's soldiers were without overcoats, their districts through trunk lines. It Frank M. Engage Assistant United is calculated that this project would save \$500,000,000 in coal annually and ould end the noto: Probably it would would end the London to-day and that this number fogs also, as they are caused by pe-culiar atmospheric conditions through

An immense cheapening of power is promised, resulting in the greater em-ployment of mechanical power and an increase in the industrial output. The commission finds that America employs nearly twice as much power per work. Building in Whitehall street and the

the greater American production per-WAGNER'S WIDOW SHIVERS

as She Can't Heat House. Special Cable Despatch to THE SUN from the had been sent to sponging houses in

London Times.

tisement in the Frunkische Zeifung. It illustrates a widespread discontent which is assuming a serious aspect among the

JAPAN PLEDGES AID TO ALLIES. Cooperation Assured by Emperor in

Address to Parliament.

Toxio, Dec. 27 .- Cooperation of Japan extent of her ability was pledged by Emperor Yoshihito in the speech from the throne at the opening of Parliament to-day. The Emperor said Japan's rela-tions with the Entente Powers were ex-European war is becoming more and more important. It becomes us to devote our efforts toward more

effective cooperation with the allied paid all the way from \$2.25 to \$3 a yard Powers. We expect the alliance to secure the full fruits of victory and to obtain the objects with which we obtain the objects with which we heartily sympathize. We are prepared offered 356 bolts of about sixty yards ability while maintaining peace in the consequence of present conditions \$3 a yard. When this lot of cloth was we have ordered our Ministers to pre- offered to the army suyers they got in sent plans having to do with the neces-sities of national defence."

Davidson, to whom the cloth was traced.

The embassles and legations fully represented in the diplomatic boxes. After the delivery of the speech thome the Parliament adverse classed about his wrist he laughed were classed about his wrist he laughed.

AIRMAN DEVASTATES A TOWN. Bomb Hits Ammunition Train; sisted Mr. Roosa in working up the Roulers Nearly Laid Waste.

AMSTERDAM, Dec. 27.-The town of Adstraction, loc. 27.—The town of They said that so tar 350 bolts of Rousselacere (Roulers), in Belgium, was almost laid waste recently by the terrific explosion of an ammunition train caused by bombs dropped by a British airman, according to the frontier correspondent of the Telegrans.

Several persons supposed to know

The airplane itself was brought down about the by the aerial pressure. Many Germans and a few Helglans, the latter engaged Many Germans authorities yesterday, and it was said

McAdoo Will Operate Vast Mileage as Post Office, Using Shortest Routes.

TRAFFIC TO BE POOLED

Shippers Will Merely Send Their Freight to the Nearest Depot.

PLAN PLEASES COUNTRY

President Expected to Address Congress on Subject When Houses Reconvene.

Special Despatch to THE Stx. WASHINGTON, Dec. 27 .- At the stroke of noon to-morrow the railroads of the country, comprising one-third of the world's total mileage, will pass under the control of the United States Government thereafter to be operated by William G. McAdoo as Director-General of Railroads in fact as well as in name. Every car and locomotive on the railroads after this change takes place will have as it were the letters U. S. A. written on it and be regarded by the Government as interchangeable units on the different lines of this single system. For the Government's purposes it will be as if individual railroads like the Pennsylvania and the New York Central had disappeared from the railroad map and their identity been merged in a single Government system. The effect of this momentous change

may not be appreciable to the public. but it is promised that within a short time changes will be brought about likely to affect the whole economic situation For one thing hereafter every railroad freight station and terminal will bear the same relation to the country's traffic as the individual post office does to the mail system. It will be for the shipper to take his freight to the nearest station and the Government will route it as it deposited in the post office.

From the flood of telegrams and conis the gigantic project promulgated by the Coal Economy Committee for the reconstruction commission and an announced by the Minister of Reconstruction. It is said that he alone is restricted by the Minister of Reconstruction and announced by the Minister of Reconstructi and that several employees of the Quartelegrams came from humble and S. Davies Warfield, the latter being Frank M. Roose, Assistant United road securities, were among those who States District Attorney, said yesterday sent messages of Freeident. Mr. 3 ke, that at least five acrests will follow

of cloth sponging houses of New York are implicated in the conspiracy. Falsification of the books of the Quarter-will address Congress the day after it master's Department alone made the reconvenes and the legislation is exthefts possible. Two auditors of this Department, one stational in the Army Building in Whitehall street and the delay. Congress is still subservient to the President's wishes on matters of war tell, and while some mutterings were heard to-day from radicals that the surveillance and their arrest, according guarantee was too liberal and also that the President had exceeded the authority vested in him by the law of 1916 virtually fixing such a guarantee On November 8 the army intelligence the opposition would amount to much more than talk

President to Be Left Alone. The President is to be allowed, it

New York for shrinking. All this cloth was woven in Philadelphia mills and much of it was shipped direct from the ROTTERDAM, Dec. 27.—Frost is increasing the difficulties of Germany, where coal famine is universal. Richard Wagner's widow, celebrating her eightieth birthday on Christmas, requested her friends to refrain from paying her visits of concerns.

Sponging Houses Shadowed.

Detectives George Barnitz and James yet for the operation of the railroads under the new system. Secretary Mechanics and the coases and they are task in real sponging houses and in the factories where the cloth was being manufactured into uniforms. The first lead carnest to morrow with the object first of drawing up an operating plan. For this purpose he has invited the members of the Railroads' War Board to meet came from the Universal Cloth Sponghim at 11 o'clock He will then ask the board for suggestions, particularly with regard to the elimination of observed ing Company, 147 West Twenty-second street, of which Leuis Davidson is the head. The detectives informed the Federal authorities that Davidson's concern was in reality the clearing house for the alleged conspirators and that by watching the output of cloth from this house the thetis could be traced.

Later it was learned that quantities of cloth sent by the Government to Davidson was the content of the climination of obstacles they have found in specifing up freight and relieving congestions, particularly with they have found in specifing up freight and relieving congestions which can be relieved at once by Secretary McAdoo exercising the unlimited power he will have.

of cloth sent by the Government to Davidson were being transferred to the The future of the Railroads' War Reliable Sponging Company, sometimes Reliable Sponging Company, sometimes from was still among the uncertainties known as the Crown Woollen Company, to-night. Secretary McAdoo desliged to 69 East Eleventh street. The detectives state to-day whether the board would 69 East Eleventh street. The detectives said that this concern, or its agents, would market the cloth. Several of its be continued. In a general way features stood out to-night as i salesmen attempted to sell it in good The Government in the first instance

The guarantee is to be a maximum and minimum equivalent to the rent paid a leased line, and any carnings over this will revert to the ment and will not be for the railroads to dispose of. The Government, if it sees fit, can put some of these excess earnings back in the road or divert them to other purposes, such as mak-ing up the deficit of weaker roads. The relation of the railroads to the Govern-ment will be virtually the same as leased lines to a parent system.

Maturing chilgations in 1918 amount-ing to \$260,000,000 are to be taken up by the roads themselves, Mr. McAd55 anticipating no trouble with renewals now that the Government stands be-hind the railroads. Refunding plans

may be entered into with his approval Each Corporation Must Approve.

The President and Mr. McAdoo regard the guarantee as merely a sug-gestion to Congress and which, if Conress authorizes, must then be offered of the railroads to accept or reject. Each corporation must meet and de the courts. Such action in no wise will affect the Government's selzure and control of the railroads in ques-

Mr. McAdoo as Director-General